

March 25, 2011

To: Executive Board

Subject: **Foothill Transit Credit Cards**

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### **Recommendation**

Authorize the Executive Director to secure Foothill Transit credit cards to be used for Foothill Transit's necessary travel expenditures for Department Directors and two administrative staff (**Attachment A**).

### **Analysis**

From time to time Foothill Transit team members are required to travel to complete Foothill Transit business. These team members who travel can be classified into two groups, frequent travelers and non-frequent travelers.

The frequent travelers are individuals at or above the Director level payment for necessary travel expenditures for frequent travelers has been primarily the responsibility of the traveler with subsequent reimbursement by Foothill Transit. The employee had to first either use their personal cash or credit cards to pay for Foothill Transit's business travel expenses. The payment of these expenditures placed a financial burden on these travelers by limiting access to their credit card or cash for their personal use. While the option to have Foothill Transit prepay certain travel expenditure was available by issuing Foothill Transit checks, it was not always successfully accomplished. Some checks would reach the proper location and were cashed, but the payment was not always credited to the appropriate traveler, requiring the traveler to again pay the expenditures. These double payments often require additional time to resolve. In other cases, there was not sufficient time to prepare, issue, and send a payment using a check. While options were available, using a personal credit card or cash appeared to be the easiest. It is anticipated frequent travelers will not have a need to use personal cash or credit cards, but they can and will be able to request reimbursement upon the proper approvals and documentation. In no event will Foothill Transit allow/offer cash advances to team members that were issued a Foothill Transit credit card.

Foothill Transit credit cards issued to these frequent travelers would allow the travelers maximum flexibility to pay for Foothill Transit's travel expenditures. Attached is a "Credit Card Acceptance Policy" (**Attachment B**) that will be required before a Foothill Transit credit card is issued to an employee. The policy requires timely approved "Travel Expense Reconciliation" reports be completed to account for ALL the credit card charges on the employee's Foothill Transit credit card. This is the current policy/process except the reconciliation covers all charges for the month, not single trip

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as is currently done. In the event of misuse, Foothill Transit will be able to cancel the credit card by alerting the issuing agency.

Team members choosing not to have a Foothill transit credit card will be able to utilize Foothill Transit credit cards issued to the administrative staff, (Christina Lopez, and Soraya Carter, Denise Guerra will be a second signer on these credit cards). The administrative staff will make the necessary travel arrangements and charge those expenses to the Foothill Transit credit card issued to them. They will be required to prepare a "Travel Expense Reconciliation" report to account for all the travel charges for the month. The non-frequent travelers will also have available the options of using a personal credit card and cash as well as requesting a travel advance for expenses incurred other than airfare, lodging and conference. All travel expenditures will require the completion of an approved "Travel Expense Reconciliation" report to account for the travel advance and/or reimbursements.

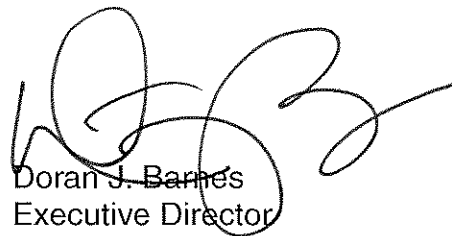
#### **Budget Impact**

Issuing credit cards to selected staff changes reimbursement/accounting procedures with no effect on Foothill Transit's budget.

Sincerely,



Richard Hasenohrl  
Director of Finance



Doran J. Barnes  
Executive Director

Attachments

## Attachment A

<u>Name</u>	<u>Credit Limit</u>
Doran Barnes	10,000
Kevin McDonald	7,500
Linda Somilleda	7,500
David Reyno	7,500
LaShawn Gillespie	7,500
George Karbowski	7,500
Jaime Becerra	7,500
Richard Hasenohrl	7,500
Gary Nehls	7,500
Joseph Raquel	7,500
Roland Cordero	7,500
Christina Lopez	25,000
Soraya Carter	25,000

# Attachment B

*(SAMPLE Department Director)*

## Foothill Transit Credit Card Acceptance

I, *(Team Member's Name)*, have received a Foothill Transit credit card for the purpose of paying reasonable and necessary travel related expenditures. I am aware of the requirement to prepare a monthly "Travel Expense Reconciliation" to properly account for the items charged to the Foothill Transit credit card and approve payment of the balance due. I also acknowledge that it will be my responsibility to reimburse Foothill Transit the cost for any items charged and subsequently deemed not necessary/appropriate for Foothill Transit business. Failure to comply with these guidelines, credit card terms and conditions or any other Foothill Transit travel policies will result in disciplinary action up to and including termination.

Credit card number   XXX-XXX-XXX-XXXX

Credit Card Limit     \$7,500

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*(Team Member's Name)*

*(Team Member's Title)*

Foothill Transit

*(SAMPLE Administrative Service Manager)*

## Foothill Transit Credit Card Acceptance

I, *(Team Member's Name)*, have received a Foothill Transit credit card for the purpose of paying reasonable and necessary travel related expenditures. These expenditures will be limited to lodging, airfares, conference registration and vehicle rentals. I am aware of the requirement to prepare a monthly "Travel Expense Reconciliation" to properly account for the items charged to the Foothill Transit credit card and approve payment of the balance due. Failure to comply with these guidelines, credit card terms and conditions or any other Foothill Transit travel policies will result in disciplinary action up to and including termination.

Credit card number   XXX-XXX-XXX-XXXX

Credit Card Limit     \$25,000

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*(Team Member's Name)*

*(Team Member's Title)*

Foothill Transit